

December 28, 2006

VIA ELECTRONIC FILING

Honorable Jaclyn A. Brillling, Secretary
State of New York Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

**Re: Case 05-E-1222 – New York State Electric & Gas Corporation
Transition Charge Statement**

Dear Secretary Brillling:

In compliance with the Public Service Commission's Order Adopting Recommended Decision with Modifications in Case 05-E-1222, issued and effective August 23, 2006, New York State Electric & Gas Corporation ("NYSEG") hereby files the following Transition Charge Statements to be effective January 1, 2007.

TC Statement No. 39 to PSC 120 Electricity
TC Statement No. 39 to PSC 121 Electricity

The monthly filing of changes to the Transition Charge is in accordance with NYSEG's filed tariffs. Each Transition Charge Statement will be filed on a monthly basis at least three days prior to the effective date.

Please direct any questions to Susan Glann at (607) 762-7265.

Very truly yours,

Christine M. Stratakos
Manager, Pricing & Analysis
Rates & Regulatory Economics

Enclosures